



6M 2019/20

Financial Results

Düsseldorf, 27 May 2020

DOUGLAS

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TODAY'S SPEAKERS



Matthias Born
Group CFO



Vanessa Stütze
Group CDO

OUR Q2: HEAVILY IMPACTED BY COVID-19

LOCK-DOWN OF STORE BUSINESS ACROSS EUROPE FROM MARCH ONWARDS



- › Excellent Q1 momentum continued into Jan & Feb
- › Global COVID-19 pandemic with severe impact on non-food bricks and mortar retail
- › In accordance with national and regional regulation, store trading suspended in most European markets, starting in Italy from 12 March onwards
- › As of end of March, the vast majority of European Douglas and Nocibé stores were closed
- › Business continuity secured (Supply chain, E-Com logistics and operations, home office for HQ employees)
- › Countermeasures to safeguard liquidity in execution
- › Focused E-Commerce push with strong performance

NET SALES (STORES)

(m€)

-59.5% -59.6% LfL

205

83

Mar 2018/19

Mar 2019/20

NET SALES (E-COM)

(m€)

+51.3% +49.0% LfL

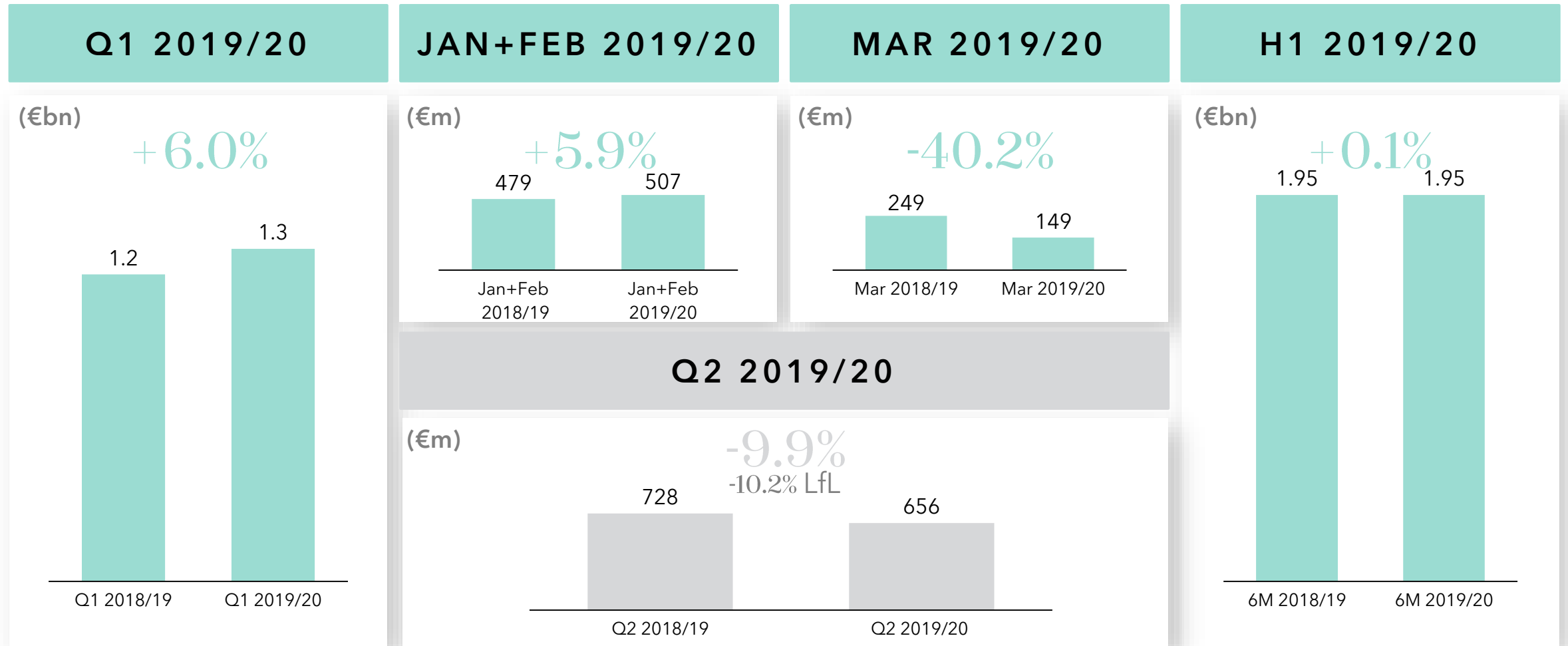
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64

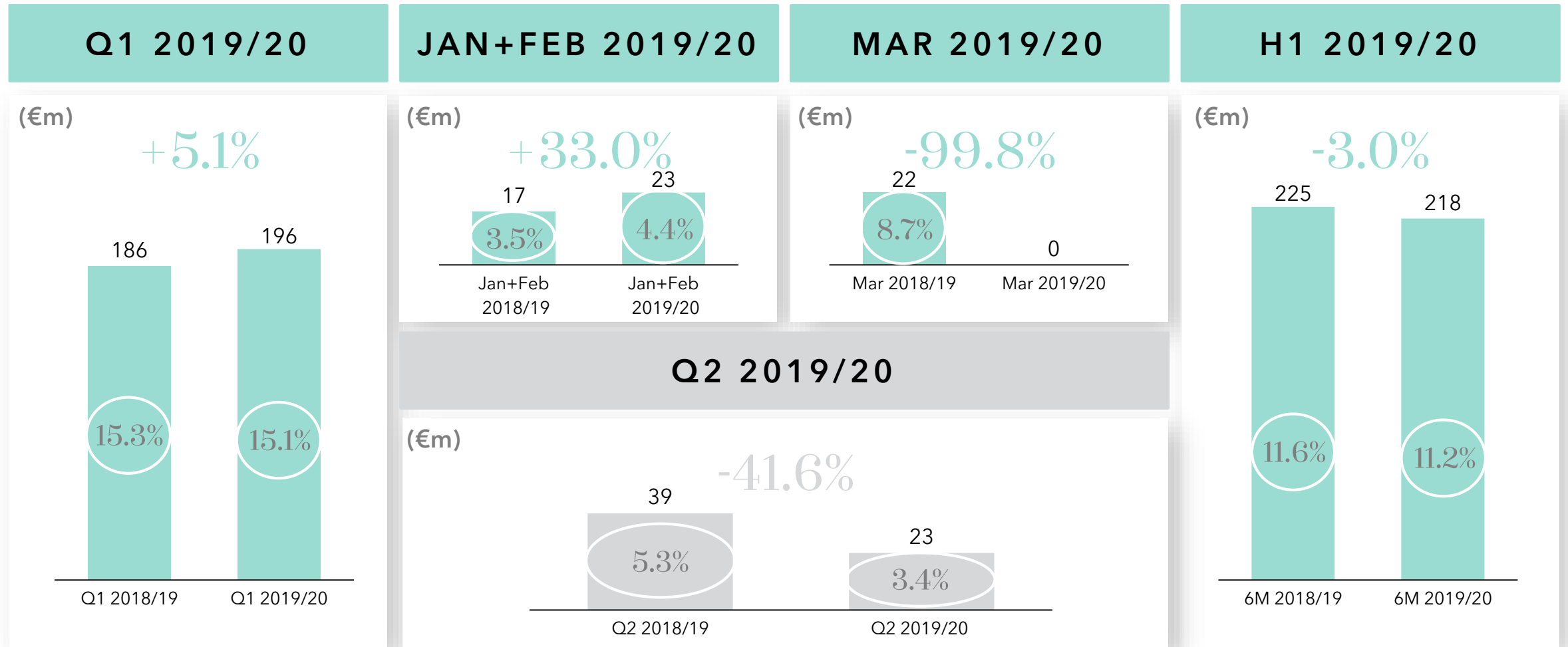
Mar 2018/19

Mar 2019/20

NET SALES: STRONG MOMENTUM IN JAN + FEB... ...WITH SEVERE COVID-19 IMPACT IN MARCH



ADJUSTED EBITDA: STRONG MOMENTUM IN JAN + FEB... ...WITH SEVERE COVID-19 IMPACT IN MARCH





COUNTERMEASURES TAKEN MID-MARCH

INFLOWS MAXIMIZED

BUSINESS CONTINUITY ENSURED

- ✓ Focused push of E-Commerce
- ✓ Implementation of Health & Safety measures

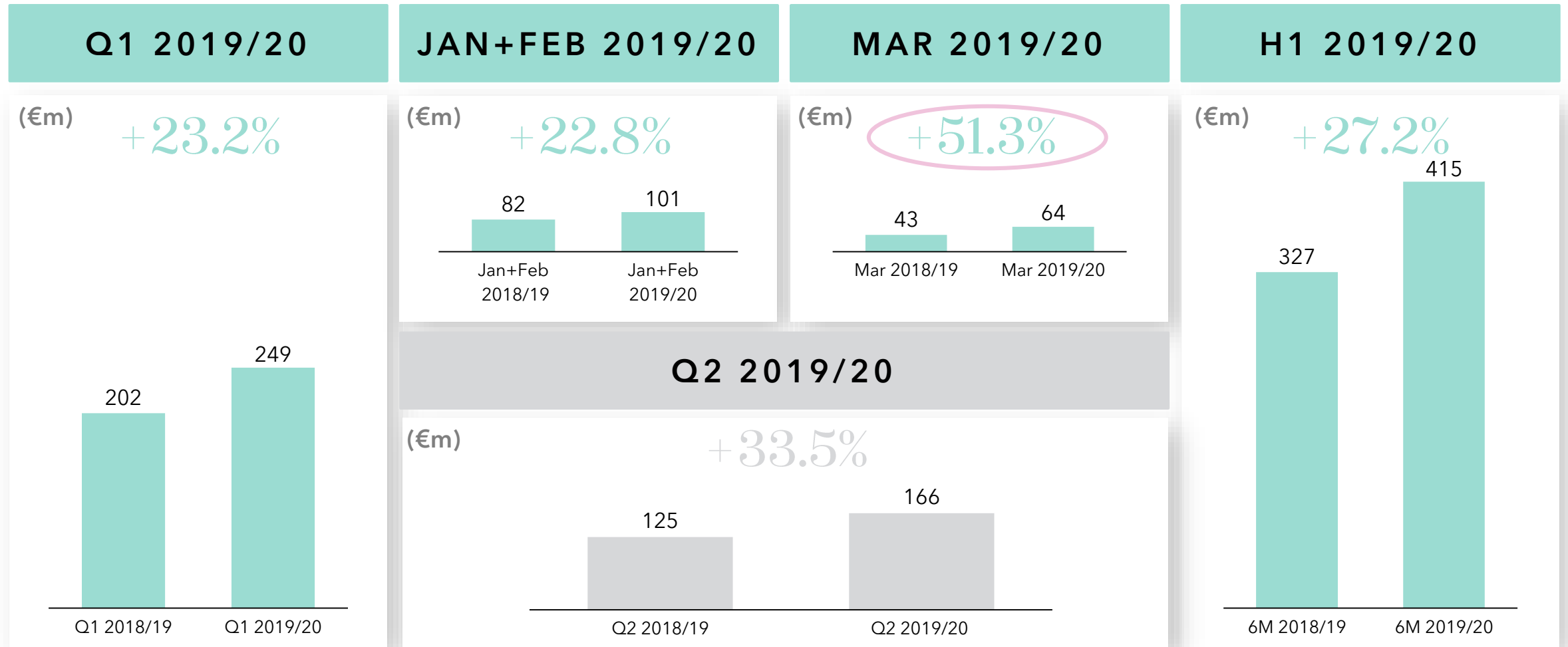
OUTFLOWS MINIMIZED

LIQUIDITY SAFEGUARDED

- ✓ Agreements with suppliers
- ✓ Short-term labour programs
- ✓ Rent negotiations and use of legislation allowing not to pay rents in case of pandemic
- ✓ Strict cost discipline
- ✓ Partial management salary waiver

OUR E-COMMERCE SUCCESS STORY IN TIMES OF CRISIS

STRONG MOMENTUM CONTINUED AND ACCELERATED IN MARCH



DECISIVE ACTION TAKEN TO BOOST E-COMMERCE BENEFITING FROM OUR STRONG OMNICHANNEL BUSINESS

IMMEDIATE ACTION MID OF MARCH

- › Business continuity secured
 - › Supply chain optimization (e.g. cross-border shipping, transfer of store inventory to online etc.)
 - › Implementation of emergency plans and strict hygiene measures to secure the operation of E-Com logistics hub
- › Focused push of E-Commerce business
 - › Immediate implementation of emergency plans focusing on special services (free shipping, phone order service, Douglas Live, etc.)
 - › Converted offline customers into first time online buyers by leveraging our strong loyalty program and app (targeted campaigns and 1:1 marketing)

FIRST-TIME ONLINE CUSTOMERS ACQUIRED

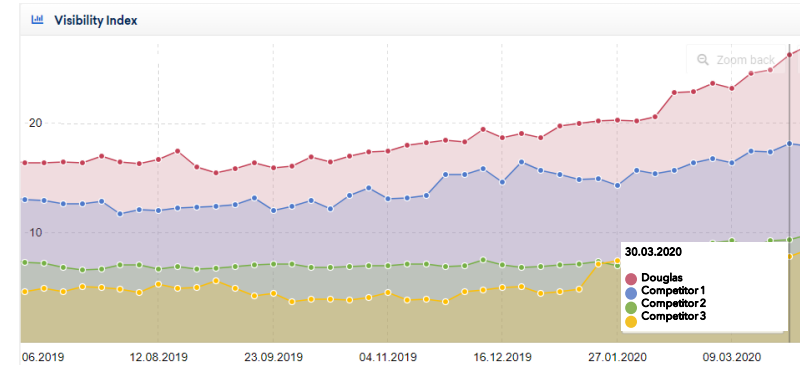
> **90%**

new omnichannel customers*

Mar 2018/19

Mar 2019/20

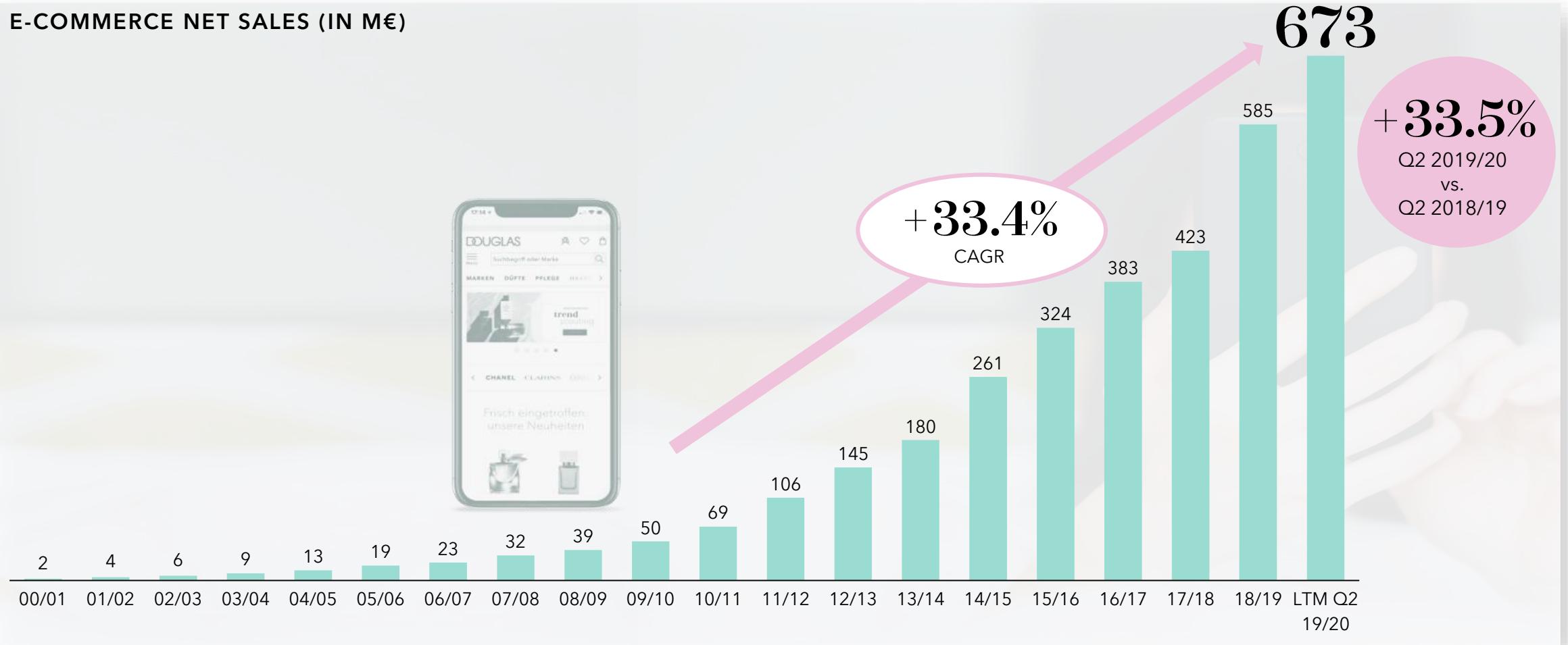
ALL-TIME HIGH IN SEO VISIBILITY VS. PEERS









CATALYST FOR E-COMMERCE ACCELERATION

FURTHER ACCELERATED E-COMMERCE GROWTH WITH NET SALES EXCEEDING €670M

E-COMMERCE NET SALES (IN M€)



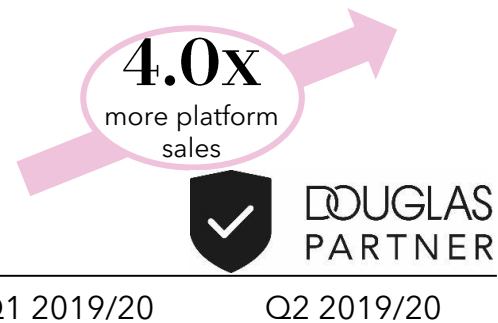
POSITIVE DEVELOPMENT OF ALL E-COMMERCE KPIS

GROUP 6M2019/20	ONLINE NET SALES	ONLINE REVENUE SHARE
	 <p>€415m +27.2%</p>	 <p>21.3% (Germany: 35.3%)</p>
GERMANY 6M2019/20	CONVERSION RATE	AVERAGE BASKET (INCL. VAT)
	 <p>3.8% +0.1%pts</p>	 <p>€67 +3.9%</p>
	MOBILE REVENUE SHARE	APP REVENUE SHARE
	 <p>63.1% +2.0%pts</p>	 <p>21.6% +3.0%pts</p>

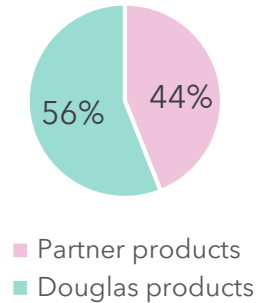
LOCK-DOWN BOOSTING OUR PLATFORM BUSINESS

- › Marketplace supports E-Commerce growth with quadrupled sales in Q2, esp. in March
- › Strong cross-selling through mixed baskets
- › Partner program growing >50% per month
- › Partners in new and specific categories, e.g.:
 - › Men's skincare & beauty
 - › Hair care & extensions
 - › Drugstore & mass market beauty
- › 12 partners with ~25,000 SKUs live
- › >50 additional partners in the pipeline
- › Opening of marketplace to small businesses and local retailers in the areas of beauty, wellness, health and hygiene
- › #helplocalheroes social media initiative to support small businesses and entrepreneurs

ACCELERATED PLATFORM SALES GROWTH



ORDER VALUE SHARE IN ALL BASKETS INCLUDING PARTNER PRODUCTS



12 WELL-KNOWN PARTNERS WITH ~25,000 SKUS



SUPPORTING SMALL BUSINESSES AND ENTREPRENEURS

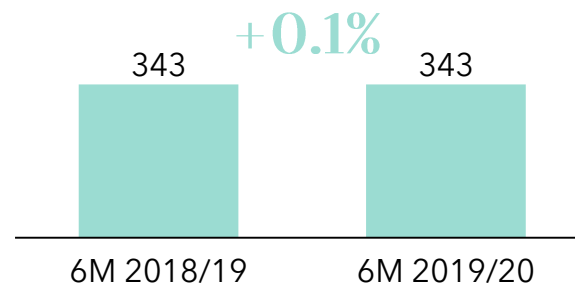


ASSORTMENT AS GROWTH AND MARGIN DRIVER

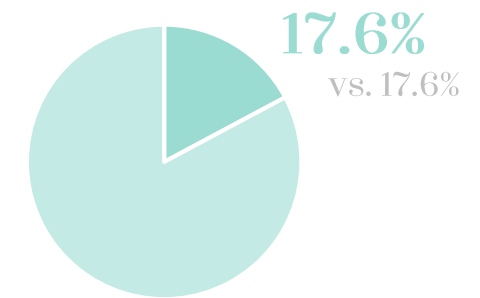
FOCUS ON NEWNESS AND EXCLUSIVITY

- › Stable owned and exclusive brands contribution despite shift to E-Commerce is a huge success
- › Roll-out of #INNERBEAUTY and Dr. Susanne von Schmiedeberg / Dermacosmetics across Europe
- › Successful launch of new own skincare brand one.two.free!
- › Successful launch of new own luxury fragrance Le Jardin Bohème
- › Blockbuster exclusive brand launches, including morphe, Florence by mills and tomorrowlabs
- › Exciting pipeline for the remainder of the year

OWNED & EXCLUSIVE BRANDS
NET SALES
(m€)



OWNED & EXCLUSIVE BRANDS
SHARE OF TOTAL SALES*



OWN BRANDS HIGHLY SUCCESSFUL



EXCLUSIVE BRAND LAUNCHES

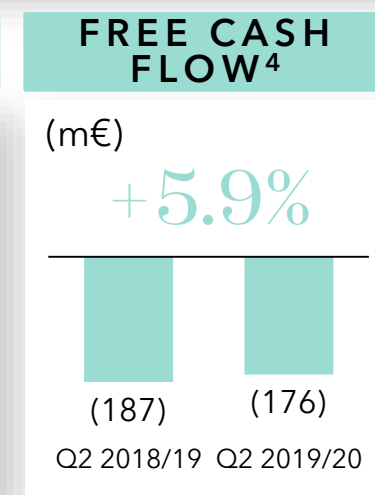
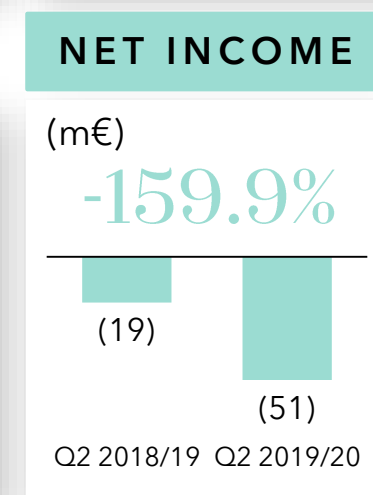
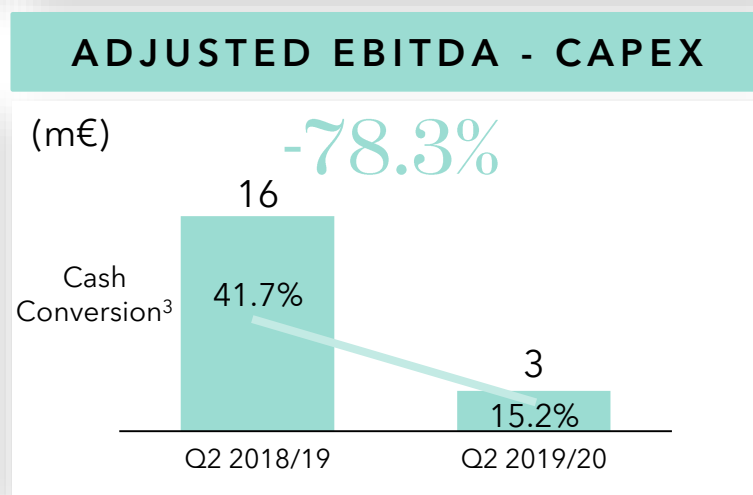
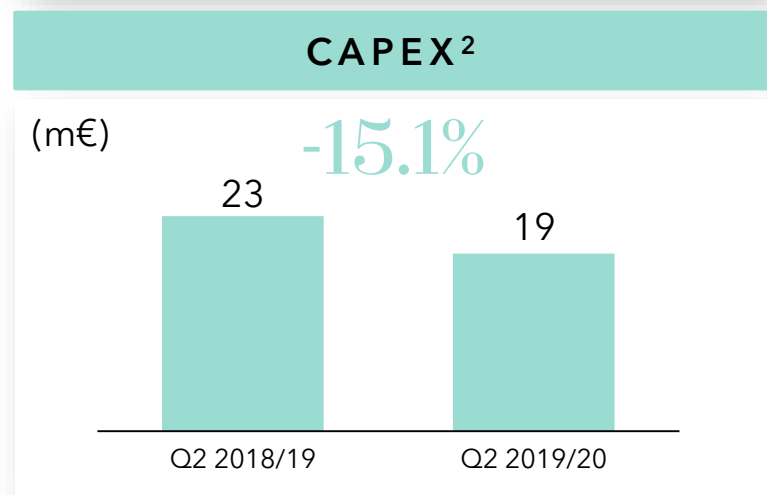
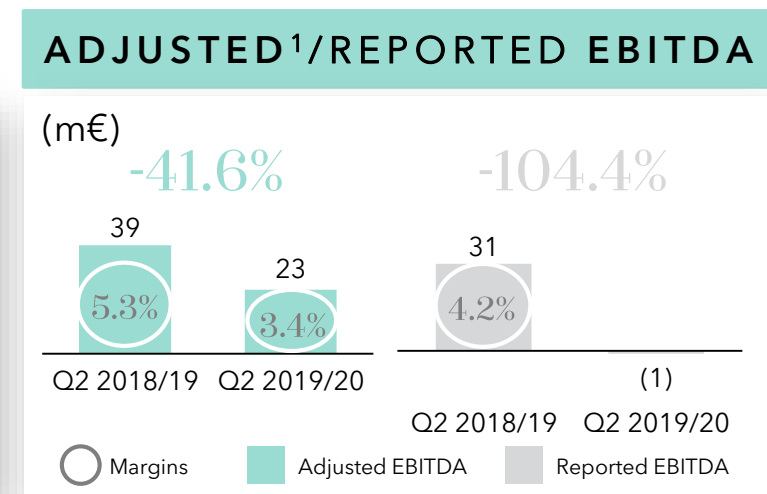
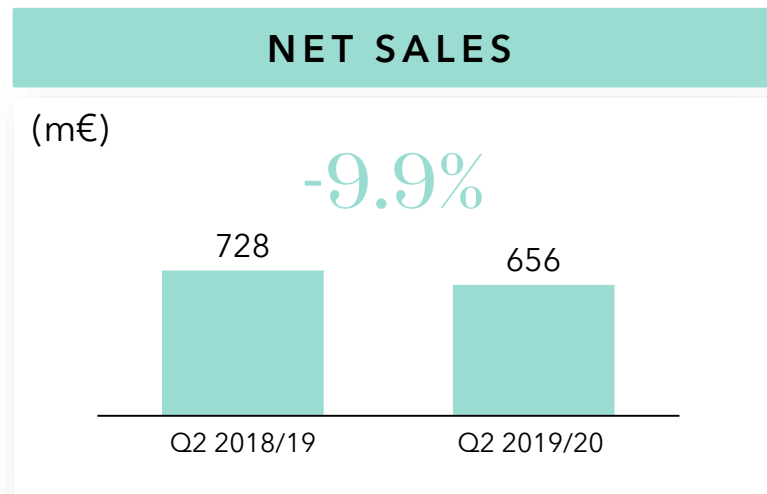




*Closer Look:
Q2 2019/20 Financials*

Q2 FY2019/20 FINANCIALS AT A GLANCE

SECOND QUARTER IMPACTED BY COVID-19



¹ For details on EBITDA Adjustments see page 33

² Accounting Capex excl. M&A related Investments

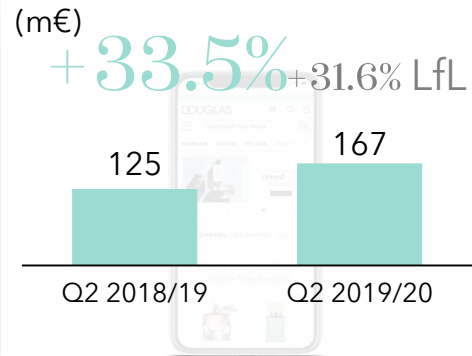
³ Defined as Adjusted EBITDA minus CAPEX pre M&A (Accounting CAPEX) divided by Adjusted EBITDA

⁴ Defined as Total of Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities

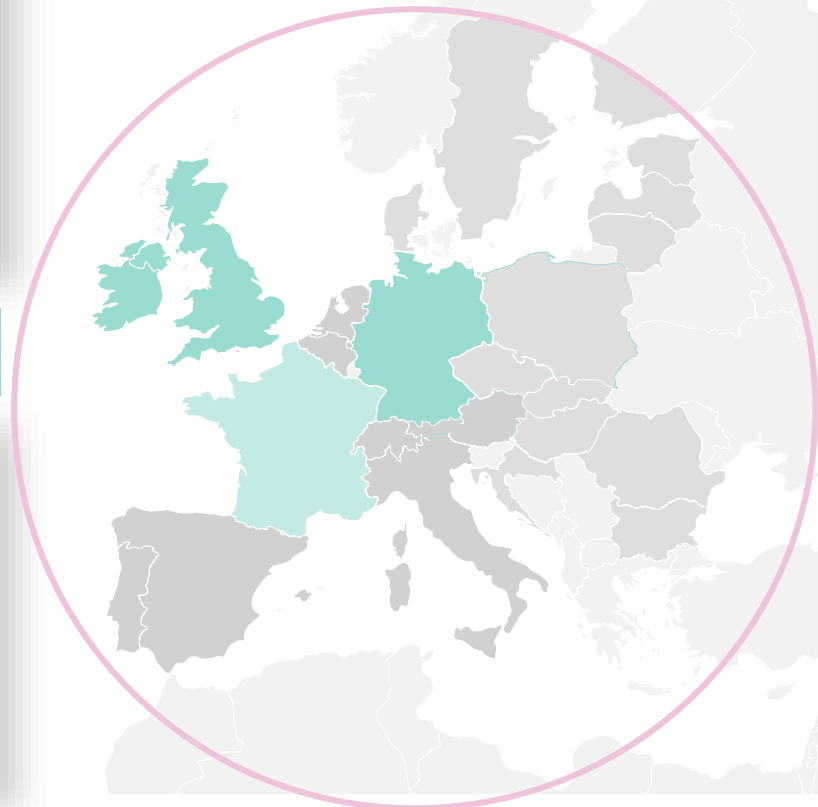
COVID-19 WITH IMPACT ACROSS REGIONS IN Q2

E-COMMERCE STRENGTH WITH COMPENSATING POSITIVE EFFECT

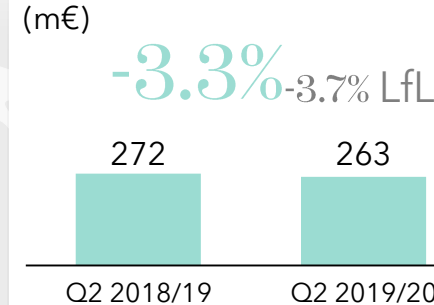
GROUP (ONLINE)



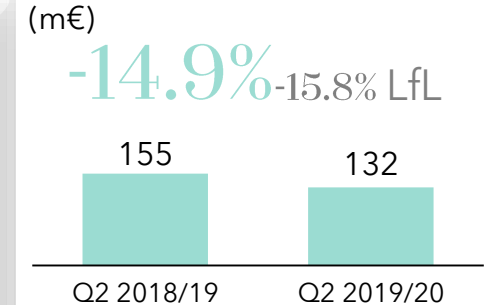
€656m-9.9%
Net Sales -10.2% LfL



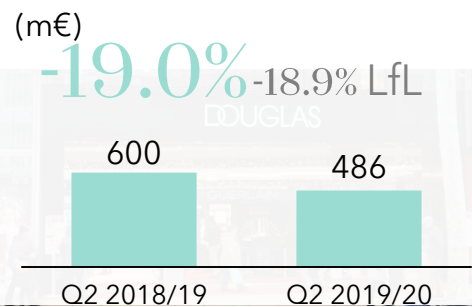
GERMANY



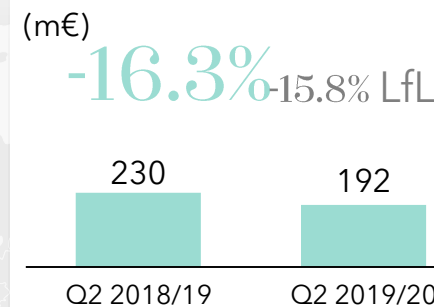
FRANCE



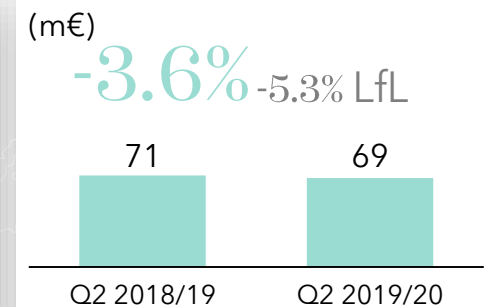
GROUP (STORES)



SOUTH-WESTERN EUROPE



EASTERN EUROPE

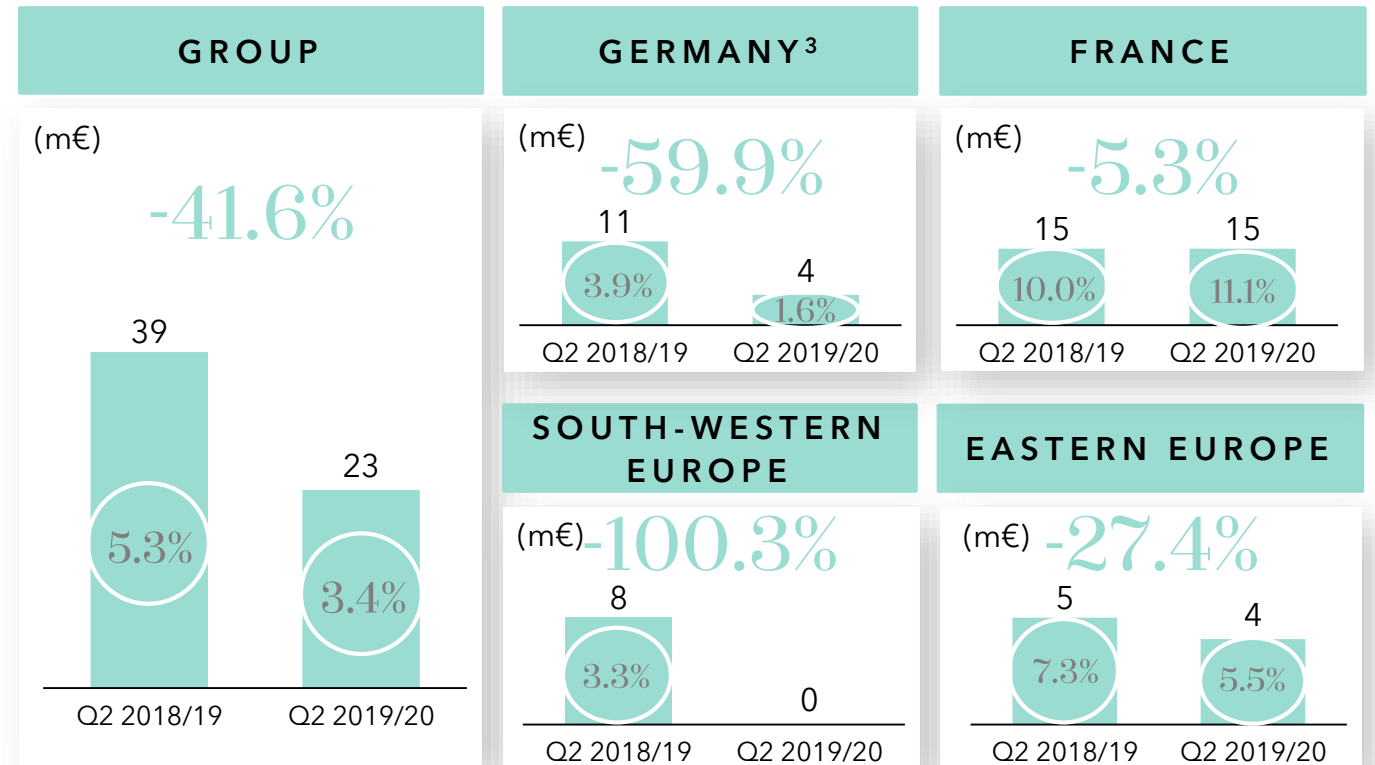


SEGMENTAL ADJUSTED EBITDA DEVELOPMENT

Q2 FY2019/20

- › All EBITDA figures stated pre IFRS16¹
- › Negative impact on Sales amplified by non-variable cost items
- › Countermeasures and tight cost discipline with mitigating effect
- › **Germany:** Includes non-variable HQ fixed costs; impact partly compensated by strong e-commerce business
- › **France:** Decreasing, while still being able to improve margins
- › **SWE:** Most severely impacted, analogue to Sales development
- › **Eastern Europe:** Relatively resilient topline development consumed by fixed costs

ADJUSTED EBITDA²



○ Adjusted EBITDA Margin

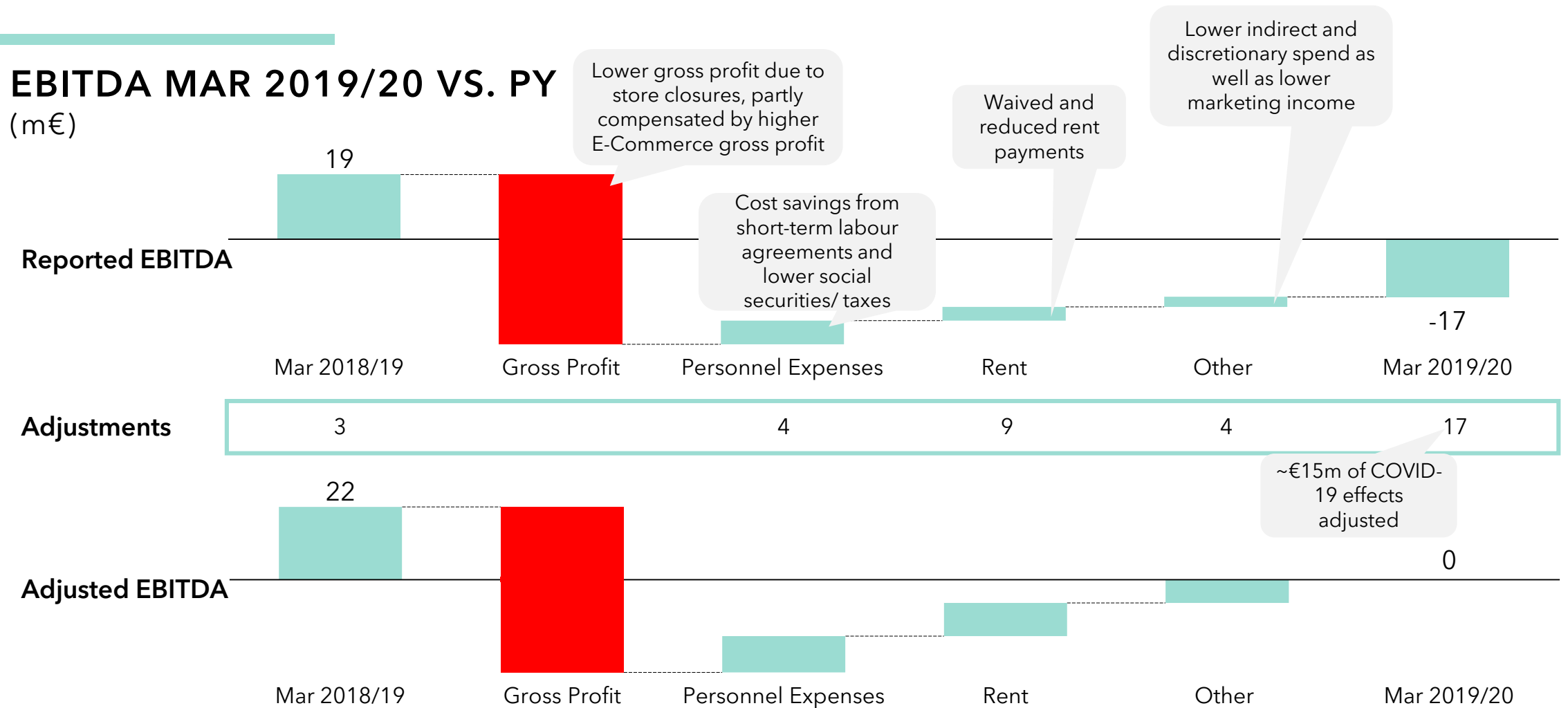
17 ¹ For details on IFRS16 effects and disclosures please refer to the 6M FY 2019/20 Interim Financial Report

² For details on EBITDA Adjustments see page 33

³ Incl. central functions and consolidation effects

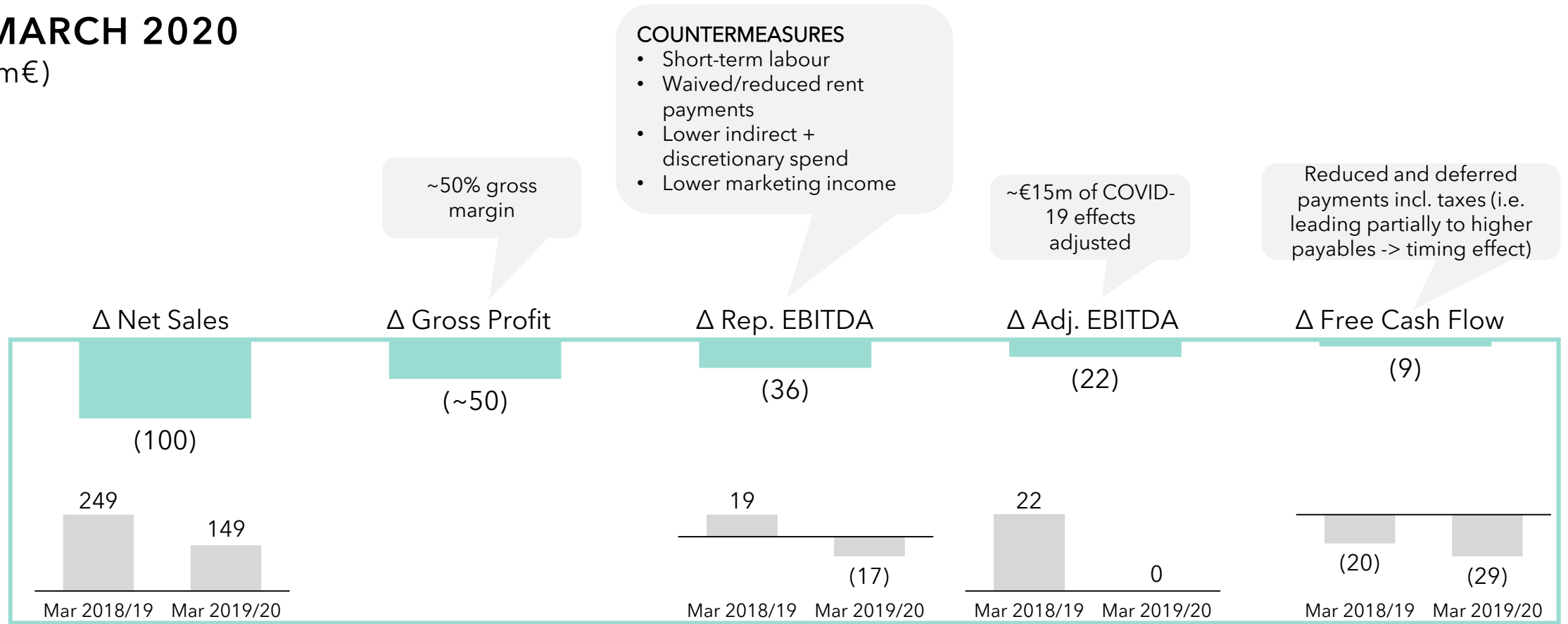
EBITDA: LOSS IN GROSS PROFIT PARTIALLY MITIGATED BY COUNTERMEASURES

EBITDA MAR 2019/20 VS. PY (m€)



€100M SALES DECLINE SUCCESSFULLY REDUCED TO ONLY €9M CASH IMPACT THROUGH COUNTERMEASURES

MARCH 2020
(m€)

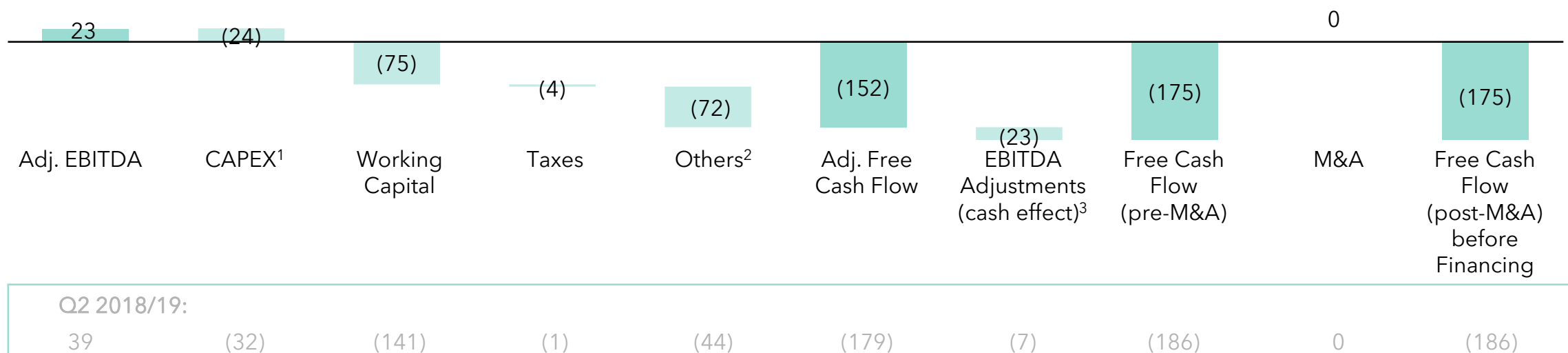
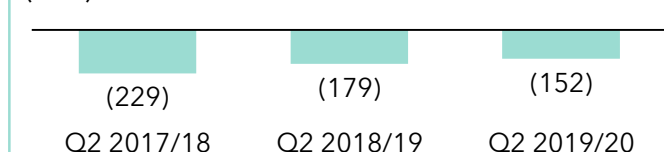


Q2 FREE CASH FLOW DEVELOPMENT NEGATIVE IN LINE WITH SEASONAL PATTERNS BUT ABOVE PREVIOUS YEAR

FREE CASH FLOW BRIDGE Q2 2019/20

(m€)

ADJUSTED FCF DEVELOPMENT (m€)



¹ Excl. M&A-related investments

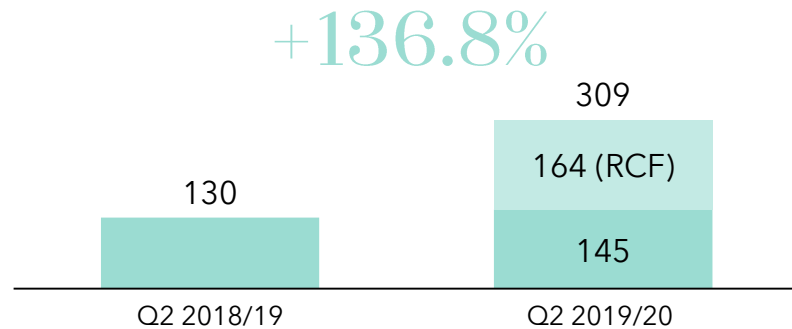
² Change in Other Assets, Liabilities and Accruals

³ For details on EBITDA adjustments see page 33

LIQUIDITY MAXIMIZED THROUGH COUNTERMEASURES

CASH BALANCE

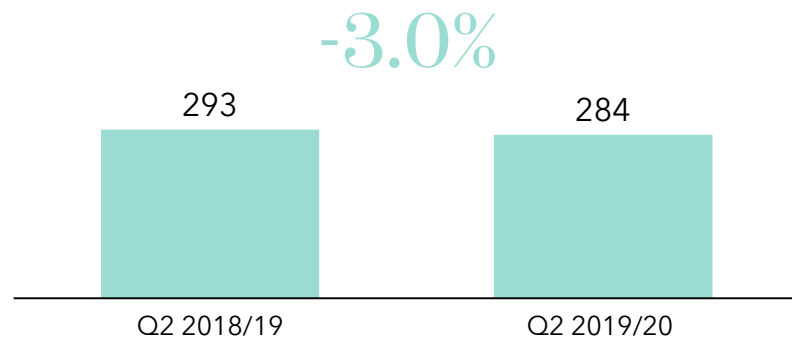
(m€)



- › Effect from lower gross profit, compensated by
 - › Capex reduction
 - › Savings in personnel expenses (incl. government support) and shift of social securities/taxes
 - › Waived/reduced rent payments
 - › Longer payables terms negotiated
 - › Lower tax payments and reduction of prepayments
- › €164m of RCF drawn

NET WORKING CAPITAL

(m€)



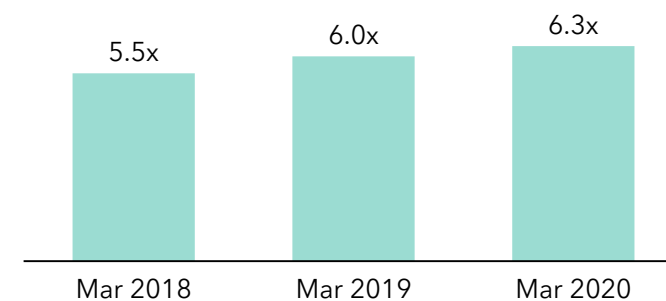
- › Inventory managed very efficiently in close collaboration with suppliers
 - › Reduction and cancellation of incoming orders
 - › Shift of store inventory to e-commerce
 - › Return of goods from stores to suppliers
- › Longer payment terms
- › Lower receivables due to timing of weekend at the end of March vs. prior year

EVOLUTION OF CAPITAL STRUCTURE AND KEY LEVERAGE METRICS

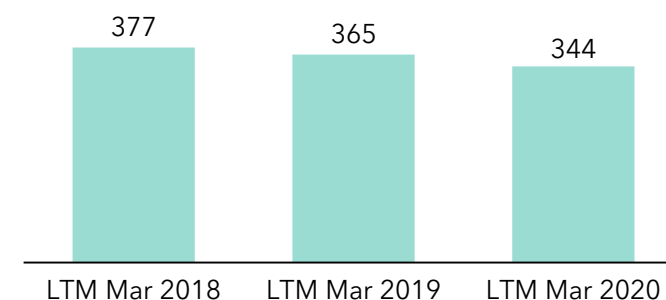
CAPITAL STRUCTURE

31 March 2020	m€	x Adj. EBITDA	Maturity	Pricing
Cash and Equivalents	309			
RCF (€200m Volume)	164		Feb 22	E+3.75% (0% floor)
Term Loan B (B2/CCC+)	1,370		Aug 22	E+3.50% (0% floor)
New Term Loan B ¹ (B2/CCC+)	300		Aug 22	E+3.25% (0% floor)
Senior Secured Notes (B2/CCC+)	300		Jul 22	6.25%
Net Senior Debt²	1,825	5.3x		
Senior Notes (Caa2/CCC-)	335		Jul 23	8.75%
Net Debt (Corp: B3/CCC+)	2,160	6.3x		

TOTAL NET LEVERAGE



ADJUSTED EBITDA³ (m€)



OUTLOOK BEYOND Q2 2019/20

KEY DEVELOPMENTS POST 31 MAR

- › Lockdown continued into April and May, hence also impacting Q3 performance
- › Countermeasures in full execution mode
- › E-Commerce accelerating further
- › Re-opening of stores in core countries started in week of 20 April; as of today, more than 90% of stores open across Europe
- › “New normal” with impact on store experience
 - › Measures to protect employees and customers
 - › Limited number of customers allowed to enter at the same time
 - › Lower traffic, but higher baskets

TIMING OF STORE RE-OPENING



POLE-POSITIONED FOR RE-OPENING WITH DEDICATED CAMPAIGN

#STRONGERTOGETHER



DOUGLAS



thank you

FOR STAYING HOME.
FOR YOUR LOYALTY.
GOOD TO HAVE YOU BACK!

DEAR DOUGLAS TEAM
FOR YOUR SOLIDARITY

#STRONGERTOGETHER



OUR FIRST HALF 2019/20 IN SUMMARY

- ✓ Head-start into the fiscal year with excellent Q1
- ✓ Strong momentum continued in January and February
- ✗ COVID-19 lockdown in March with negative impact on Q2 and H1
- ✓ Liquidity and business continuity secured
- ✓ Focused execution of countermeasures
- ✓ Catalyst for E-Commerce with impressive results
- ✓ Successful re-opening of stores with dedicated campaign
- ✓ Cost-optimization program continued
- Focus on ramp-up to recapture as much business as possible



Thank you.

Upcoming IR Event

13 August 2020: 9M Results FY2019/20

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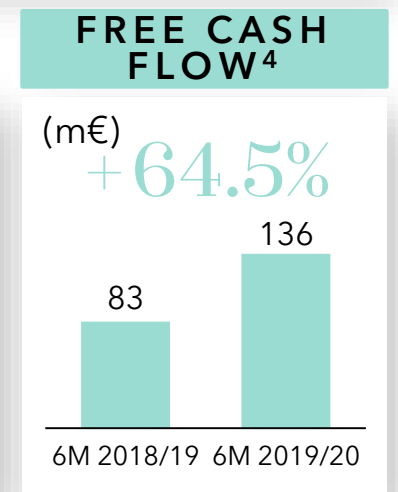
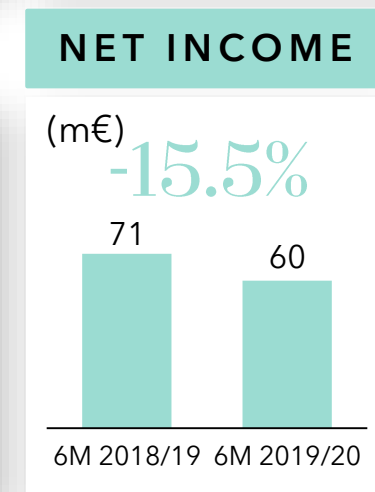
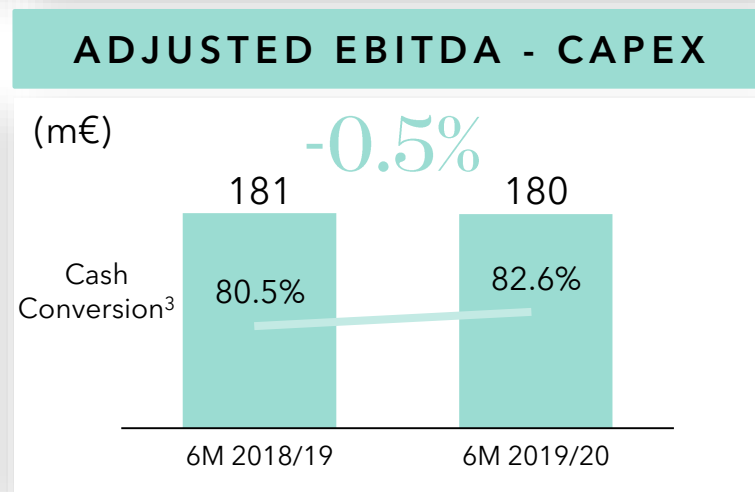
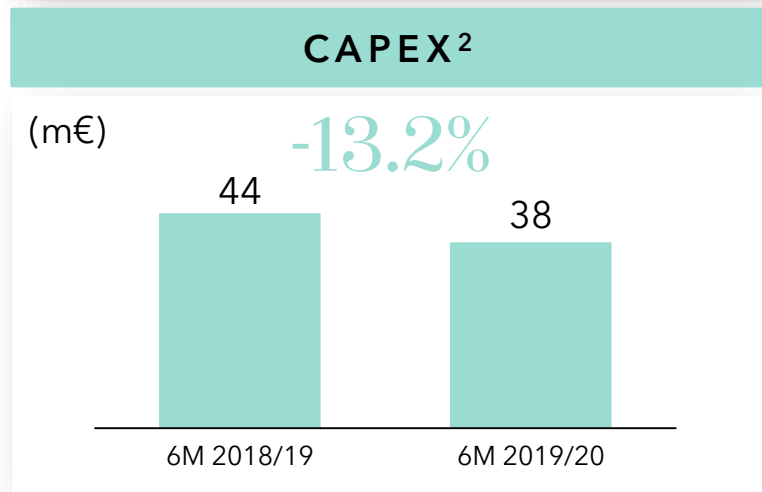
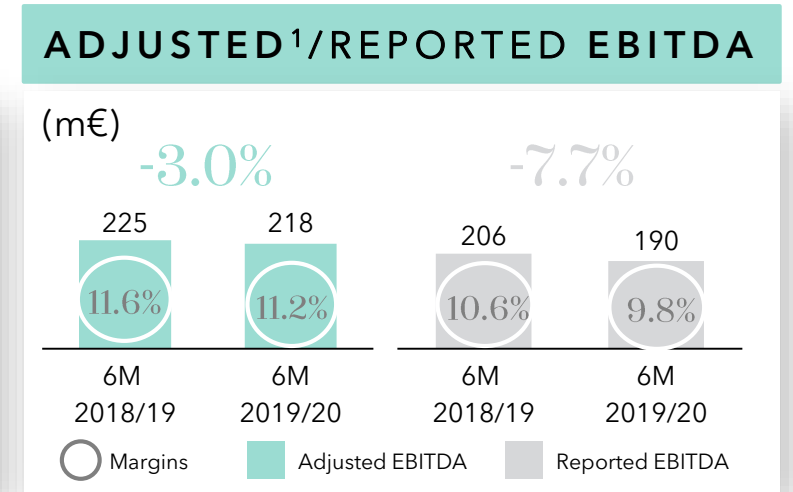
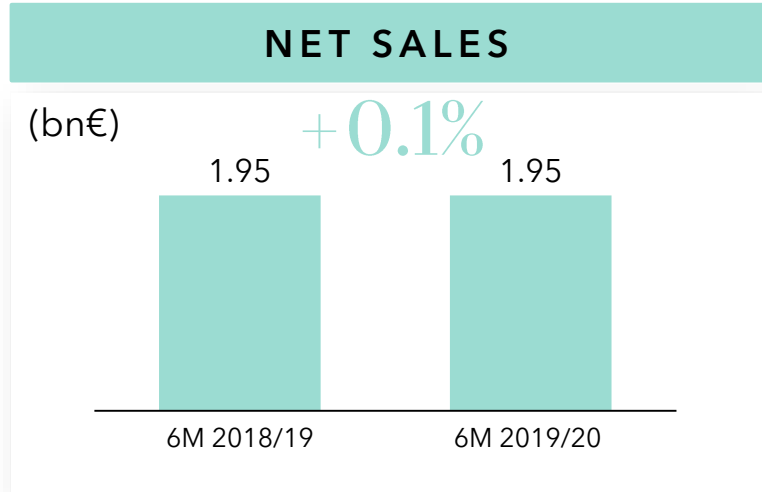
Appendix

DEEP DIVE P&L, CASH FLOW AND BALANCE SHEET EFFECTS

IMPACT ON FINANCIAL STATEMENTS, PARTLY WITH TIMING EFFECT

	ITEM	P&L	CASH FLOW	BALANCE SHEET
VOLUME	Lower store sales (partly compensated by higher e-commerce sales)	<ul style="list-style-type: none"> • Lower gross profit • Lower marketing income 	<ul style="list-style-type: none"> • Lower operating cash flow 	<ul style="list-style-type: none"> • Lower cash balance • Lower accounts receivable
SUPPLIERS	Reduction of already agreed orders	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • Reduced cash-out 	<ul style="list-style-type: none"> • Lower (store) inventories • Lower accounts payable • Higher cash balance
	Longer payment terms agreed	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • Postponed cash-out 	<ul style="list-style-type: none"> • Higher accounts payable
LANDLORDS	Waived/reduced rent payments	<ul style="list-style-type: none"> • Lower opex 	<ul style="list-style-type: none"> • Positive impact on operating cash flow 	<ul style="list-style-type: none"> • Higher cash balance
	Postponed rent payments	<ul style="list-style-type: none"> • Temporary lower opex 	<ul style="list-style-type: none"> • Postponed cash-out 	<ul style="list-style-type: none"> • Higher cash balance
EMPLOYEES	Short-term labour	<ul style="list-style-type: none"> • Savings in personnel expenses 	<ul style="list-style-type: none"> • Delayed positive impact on operating cash flow 	<ul style="list-style-type: none"> • Higher cash balance
OTHER COST/SPEND	Lower indirect and discretionary spend	<ul style="list-style-type: none"> • Lower opex 	<ul style="list-style-type: none"> • Positive impact on operating cash flow 	<ul style="list-style-type: none"> • Higher cash balance
	Postponed indirect and discretionary spend	<ul style="list-style-type: none"> • Temporary lower opex 	<ul style="list-style-type: none"> • Postponed cash-out 	<ul style="list-style-type: none"> • Higher cash balance
FINANCING	RCF drawn (€164m)	<ul style="list-style-type: none"> • Higher financial expenses 	<ul style="list-style-type: none"> • Increase in financing cash flow 	<ul style="list-style-type: none"> • Higher cash balance • Higher debt • No immediate effect on net debt
STATE	Reduction/repayment of tax prepayments	<ul style="list-style-type: none"> • Lower tax burden improving net income 	<ul style="list-style-type: none"> • Positive impact on operating cash flow (partially temporary) 	<ul style="list-style-type: none"> • Higher cash balance
	Lower social securities/taxes	<ul style="list-style-type: none"> • Temporary lower personnel expenses 	<ul style="list-style-type: none"> • Positive impact on operating cash flow (partially temporary) 	<ul style="list-style-type: none"> • Higher cash balance
	Application for government-backed credit facilities	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • Increase in financing cash flow 	<ul style="list-style-type: none"> • Higher cash balance • Increase of liabilities

KEY 6M FY2019/20 FINANCIALS AT A GLANCE



¹ For details on EBITDA Adjustments see page 33

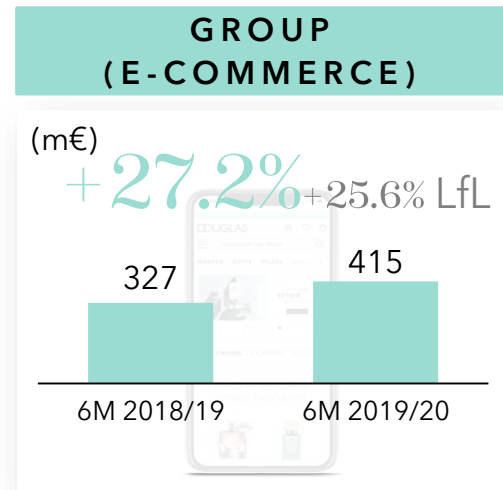
² Accounting Capex excl. M&A related Investments

³ Defined as Adjusted EBITDA minus CAPEX pre M&A (Accounting CAPEX) divided by Adjusted EBITDA

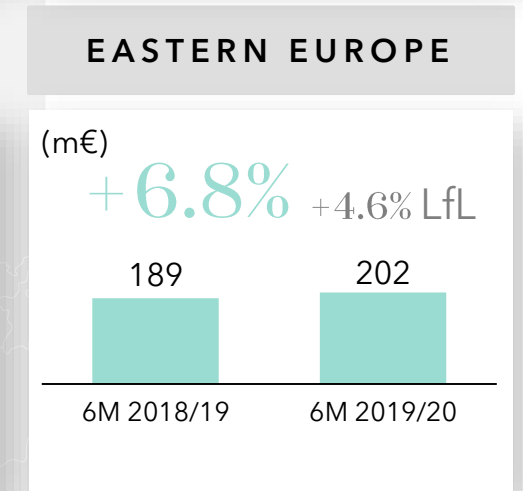
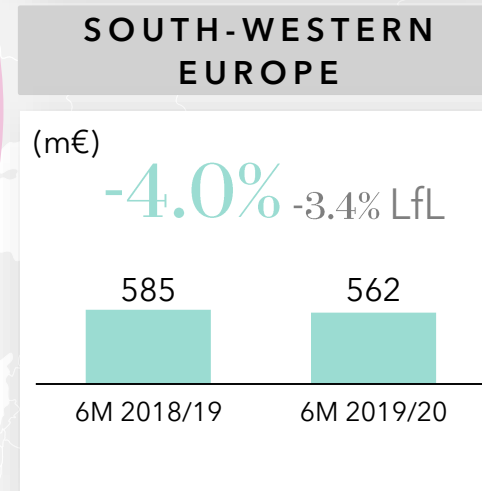
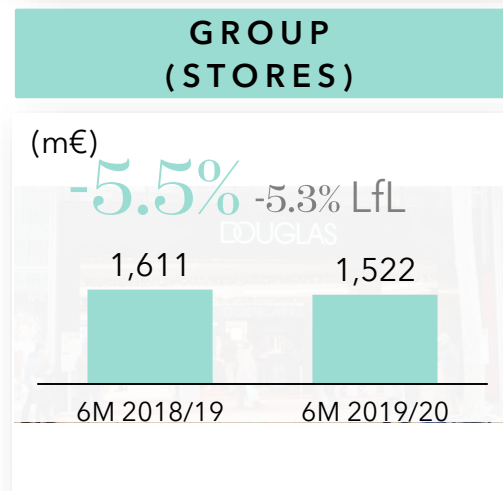
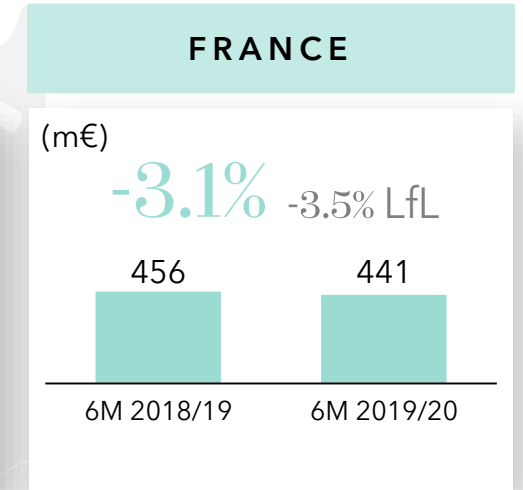
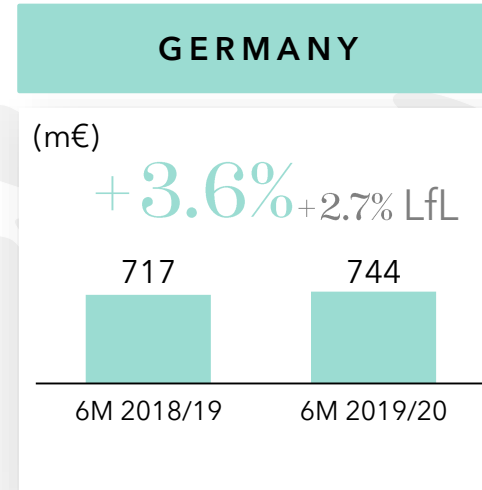
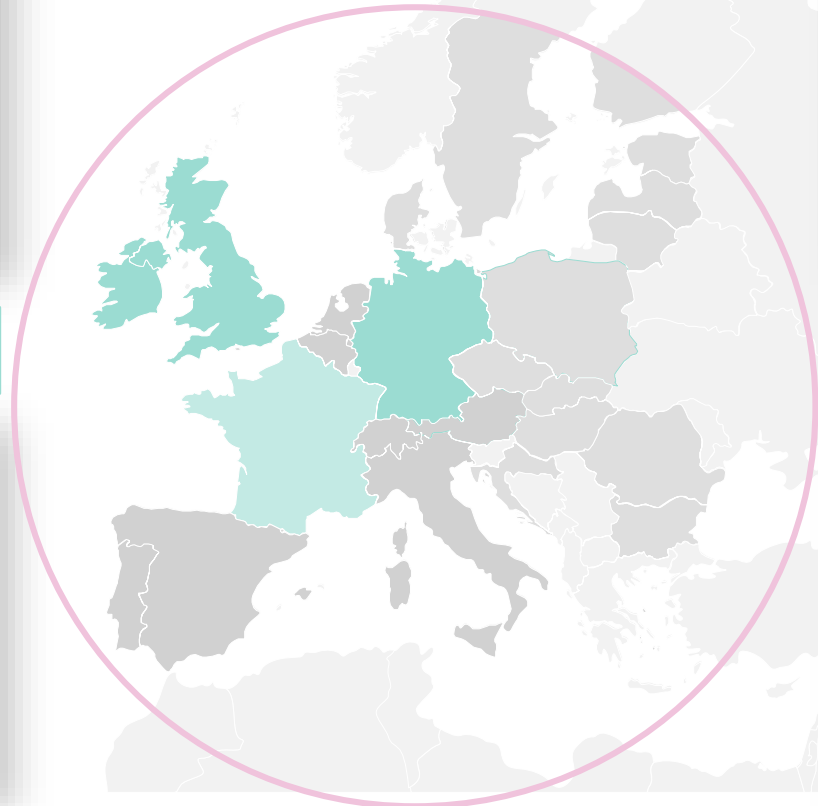
⁴ Defined as Total of Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities

H1: Q1 MOMENTUM REDUCED BY COVID-19 IN Q2

E-COMMERCE STRENGTH WITH COMPENSATING POSITIVE EFFECT



€1.95bn +0.1%
Net Sales -0.4% LfL

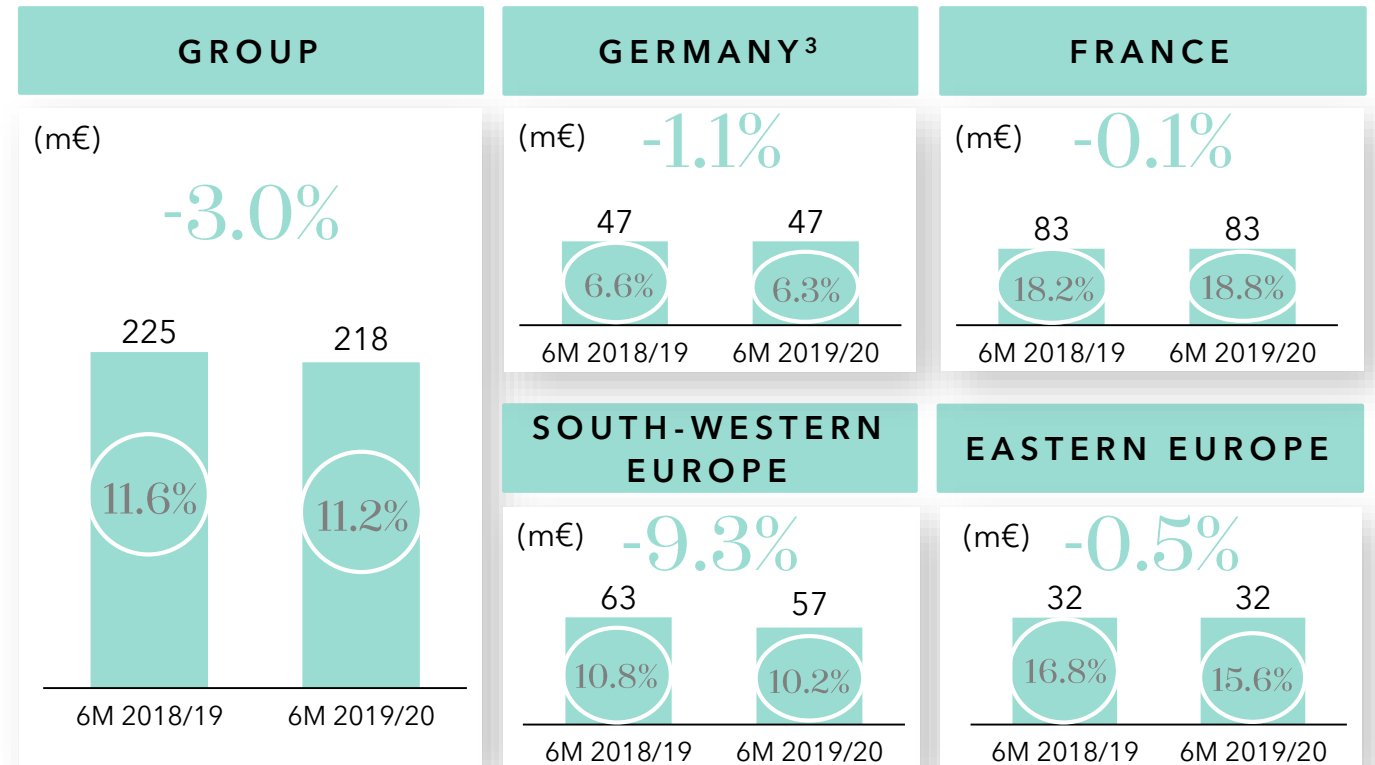


SEGMENTAL ADJUSTED EBITDA DEVELOPMENT

6M FY2019/20

- › All EBITDA figures stated pre IFRS16¹
- › Negative impact on Sales amplified by non-variable cost items
- › Strong Q1 tailwind, countermeasures, pricing excellence and tight cost discipline with mitigating effect
- › **Germany:** Relatively small decrease, driven by strong e-commerce business
- › **France:** Decreasing, while still being able to improve margins
- › **SWE:** Most severely impacted, analogue to Sales development
- › **Eastern Europe:** Positive topline development consumed by fixed costs

ADJUSTED EBITDA²



○ Adjusted EBITDA Margin

31 ¹ For details on IFRS16 effects and disclosures please refer to the 6M FY 2019/20 Interim Financial Report

² For details on EBITDA Adjustments see page 33

³ Incl. central functions and consolidation effects

LTM KEY FINANCIALS

MARCH 2019/20

KEY FINANCIALS

(m€)	LTM Mar 2019	LTM Mar 2020	Delta
Net Sales	3,366	3.454	2.6%
<i>Lfl Growth</i>			1.5%
Adjusted EBITDA	365	344	(5.6)%
Margin (%)	10.8%	10.0%	(0.9)%pts
CAPEX ¹	143	103	(27.9)%
Adj. EBITDA - CAPEX	222	242	8.7%
Cash Conversion (%)	60.9%	70.2%	9.2%pts

¹ Accounting Capex excl. M&A

ADJUSTMENTS TO EBITDA

Q2 & 6M FY2019/20 & LTM MARCH 2020

- › **Consulting fees:** Internal strategic projects (e.g. costs to be expected as part of cost-savings program going forward)
- › **Restructuring costs:** Insignificant with few small projects
- › **PPA:** Acquisition of Niche Beauty
- › **Credit card fees:** "Below EBITDA" reclassification to financial result in accordance with banking and bond agreements; increase due to online growth
- › **COVID-19:** In particular staff- and rent-related idle costs in connection with our closed stores
- › **Other:** Decrease due to extraordinary income related to payment from former shareholder and reversal of provisions

EBITDA ADJUSTMENTS

(m€)	Q2 2018/19	Q2 2019/20	6M 2018/19	6M 2019/20	LTM Mar 2019	LTM Mar 2020
Reported EBITDA	31	(1)	206	190	209	267
Consulting fees	2	5	2	8	10	19
Restructuring costs	1	0	3	0	8	10
PPA	1	1	4	2	14	3
Credit card fees	4	3	9	9	14	15
COVID-19	0	15	0	15	0	15
Other	0	0	1	(6)	109	17
Adjusted EBITDA	39	23	225	218	365	344

REPORTED EBITDA

Q2 & 6M FY2019/20

REPORTED EBITDA

(m€)	Q2 2018/19	Q2 2019/20	6M 2018/19	6M 2019/20
Germany ¹	7	(6)	39	37
France	14	13	79	78
South-Western Europe	5	(10)	58	46
Eastern Europe	5	2	30	29
Group	31	(1)	206	190

DEEP DIVE LFL NET SALES GROWTH

QUARTERLY DEVELOPMENT

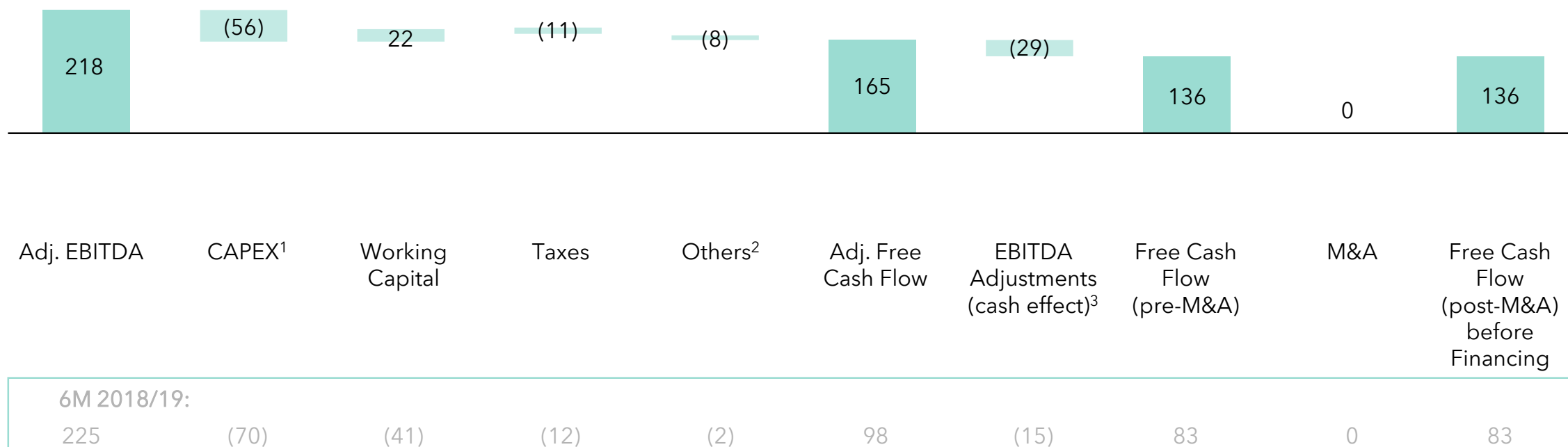
LFL NET SALES GROWTH DEVELOPMENT

	Q2 2018/19	Q3 2018/19	Q4 2018/19	Q1 2019/20	Q2 2019/20	LTM Q2 2019/20
Germany	(0.9)%	5.5%	0.6%	6.6%	(3.7)%	5.5%
France	(1.8)%	(1.7)%	4.1%	2.8%	(15.8)%	(1.7)%
South-Western Europe	(1.3)%	0.0%	(0.2)%	4.7%	(15.8)%	(2.1)%
Eastern Europe	6.5%	7.6%	6.4%	10.5%	(5.3)%	6.1%
Group	(0.6)%	2.2%	1.6%	5.5%	(10.2)%	1.5%
Stores	(2.4)%	1.2%	0.1%	2.8%	(18.9)%	(2.4)%
Online	13.4%	18.3%	20.6%	21.9%	31.6%	27.8%

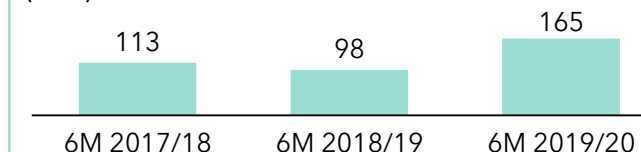
STRONG FREE CASH FLOW GENERATION DRIVEN BY SPECIAL EFFECTS RELATING TO COUNTERMEASURES

FREE CASH FLOW BRIDGE 6M FY2019/20

(m€)



ADJUSTED FCF DEVELOPMENT (m€)



¹ Excl. M&A-related investments

² Change in Other Assets, Liabilities and Accruals

³ For details on EBITDA adjustments see page 33

CASH FLOW STATEMENT

Q2 & 6M FY2018/19

- › Strong development of **Cash Flow from Operating activities**
- › **Cash flow from Investing activities** at a lower level, as large scale acquisitions are completed
- › Increase in **Cash from Financing activities** due to the COVID-19-related drawing of the RCF

CASH FLOW STATEMENT

(m€)	Q2 2018/19	Q2 2019/20	6M 2018/19	6M 2019/20
Net Cash Flow from Operating activities	(155)	(151)	150	192
Net Cash Flow from Investing activities	(31)	(24)	(67)	(55)
Free Cash Flow	(186)	(175)	83	136
Net Cash Flow from Financing activities	(40)	123	(56)	92
Net Change in Cash & Cash Equivalents	(227)	(53)	27	228
Cash & Cash Equivalents at Beginning of Period	357	362	103	81
Cash & Cash Equivalents at End of Period	130	309	130	309

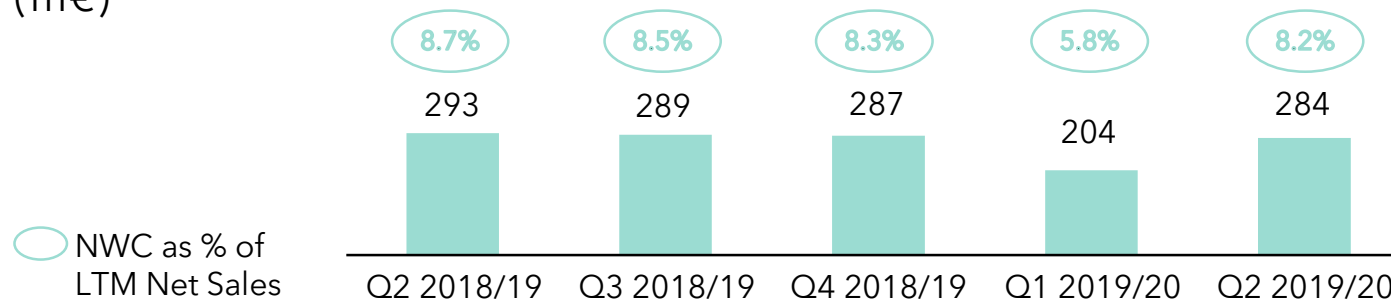
NET WORKING CAPITAL

Q2 2019/20

- › Lower trade account receivables in connection with timing effects
- › **Inventories** slightly higher due to closure of majority of stores but benefiting from countermeasures with suppliers
- › **Payables:** Lower due to longer payment terms negotiated with suppliers as well as other deferred payments, i.e. partly timing effect; still on previous year's level given previous year's practice of cash management
- › **Other:** Lower bonus receivables and more unredeemed gift vouchers

NET WORKING CAPITAL

(m€)

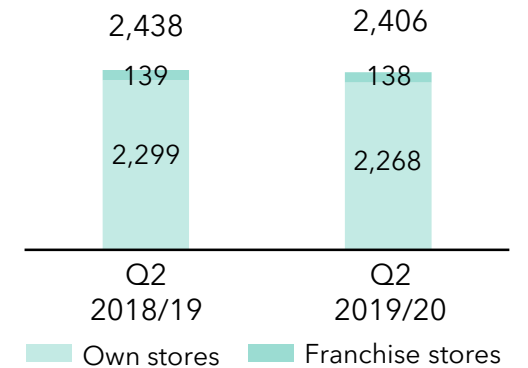


(m€)	Q2 2018/2019	Q3 2018/2019	Q4 2018/2019	Q1 2019/2020	Q2 2019/2020
Inventories	811	751	744	803	822
Trade accounts receivable	47	50	46	76	35
Trade accounts payable	(526)	(483)	(487)	(737)	(514)
Other ¹	(39)	(29)	(16)	62	(58)
Total NWC	293	289	287	204	284



PREMIUM STORE NETWORK FOOTPRINT ACROSS EUROPE

- › Decrease in # of stores driven by portfolio realignment in particular in SWE
- › Size of footprint will be monitored on an ongoing basis subject to level of performance following re-opening



YTD DEVELOPMENT	6M 2018/19	6M 2019/20
Store openings	7	13
Store closures	(6)	(37)
Store acquisitions	-	-
Store divestitures	-	-
Change in franchises	0	(2)
Total	1	(26)